

Message Text

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SUBJECT: EUROPEAN PARLIAMENT: LOCKHEED BRIBES ENLIVEN QUESTION PERIOD

1. BEGIN SUMMARY: ON APRIL 7 THE ROUTINE COURSE OF THE NOW STANDARD QUESTION PERIOD AT THE EUROPEAN PARLIAMENT WAS INTERRUPTED BY A HEATED DEBATE WHICH DEVELOPED OVER A QUESTION DEALING WITH ALLEGATIONS THAT US AIRCRAFT COMPANIES HAD BEEN BRIBING EUROPEANS TO INFLUENCE DECISIONS ON THE PURCHASE OF AMERICAN AIRCRAFT. EC COMMISSION VICE PRESIDENT SCARASCIA-MUGNOZZA, IN ATTEMPTING TO ANSWER FOR THE COMMISSION, CAUSED A MINOR FUROR WHEN HE STATED THAT IT WAS UNJUST TO ACCUSE HIS POLITICAL PARTY (THE ITALIAN CHRISTIAN DEMOCRATS) OF CORRUPTION WHEN "ALL PARTIES MIGHT BE INVOLVED". END SUMMARY.

2. THE FOLLOWING QUESTION WAS MADE THE SUBJECT OF PROLONGED DEBATE AT THE APRIL 7 EUROPEAN PARLIAMENT MEETING IN LUXEMBOURG: "WILL THE COMMISSION INVESTIGATE THE ALLEGATIONS MADE BY THE AMERICAN SENATE COMMITTEE THAT AMERICAN AEROSPACE COMPANIES MADE PAYMENTS TO COMPANIES, ORGANIZATIONS AND INDIVIDUALS WITHIN THE EC TO INFLUENCE DECISIONS TO PURCHASE AMERICAN AIRCRAFT IN BREACH OF THE TOME TREATY OBLIGATIONS?"

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3. COMMISSION VICE-PRESIDENT SCARASCIA-MUGNOZZA TOLD THE PARLIAMENTARIANS

THAT THE COMMISSION WAS OBVIOUSLY NOT IN A POSITION TO GIVE AN EXACT REPLY BECAUSE THE USG IS JUST NOW IN THE PROCESS OF SUPPLYING INFORMATION TO JAPAN AND OTHER COUNTRIES WHICH WILL HOPEFULLY SHED LIGHT ON THE SITUATION.

SCARASCIA'S ANSWER WOULD HAVE BEEN FOUND UNSATISFACTORY ANYWAY, BUT HE MADE MATTERS WORSE BY STATING THAT PEOPLE SHOULD NOT BE ACCUSING HIS POLITICAL PARTY (THE ITALIAN DC) OF CORRUPTION WHEN "ALL PARTIES MAY BE INVOLVED". THIS BROUGHT SEVERAL DEPUTIES TO THEIR FEET DEMANDING THAT HE RETRACT THE STATEMENT AND REMINDING HIM THAT AS A MEMBER OF THE COMMISSION, HE DOES NOT REPRESENT A POLITICAL PARTY. SCARASCIA COUNTERED BY SAYING THAT HE DID NOT GIVE UP HIS POLITICAL RIGHTS WHEN HE CAME TO THE COMMISSION, BUT THIS HAD LITTLE EFFECT ON THE IRATE MP'S.

4. PARLIAMENTARIANS CHARGED THAT THE US SENATE INVESTIGATIONS HAVE UNCOVERED WIDESPREAD ABUSES BY

AMERICAN FIRMS, NOT JUST IN THE AIRCRAFT INDUSTRY. THESE CORRUPT PRACTICES, ACCORDING TO ONE DEPUTY, CONSTITUTE A GROSS BREACH OF THE COMMUNITY'S COMPETITION LAWS. IT MEANS, HE SAID THAT IT IS NOT THE MOST EFFICIENT COMPANIES BUT THOSE WITH THE MOST BRIBE MONEY WHICH WILL CORNER THE MARKET. THIS PROMPTED ONE DEPUTY TO COMMENT THAT THE HIGHLY EFFICIENT AMERICAN COMPANIES WOULD LIKELY CORNER THE EUROPEAN AIRCRAFT MARKET WITH OR WITHOUT BRIBES. THE PARLIAMENTARIANS WERE HIGHLY DISPLEASED WITH THE COMMISSION'S RESPONSE AND IT IS THOUGHT THAT THE ISSUE WILL LIKELY BE RAISED IN PARLIAMENT AGAIN.

5. IBM WAS ALSO SINGLED OUT FOR CRITICISM DURING A DISCUSSION FOLLOWING ANOTHER QUESTION POSED TO THE COMMISSION. THE QUESTION WAS "WHEN DOES THE COMMISSION INTEND TO COMPLETE THE CURRENT INVESTIGATION INTO THE ACTIVITIES OF IBM; AND WHAT PROPOSALS HAS IT FOR RATIONALIZING THE VARIOUS PARTS OF THE COMPUTER INDUSTRY IN EUROPE TO MAKE THE INDUSTRY COMPETITIVE IN THE WORLD MARKET?" SEVERAL DEPUTIES CALLED FOR THE DEVELOPMENT OF A EC POLICY IN ORDER TO COMPETE WITH IBM AND SUGGESTED THAT STEPS BE TAKEN TO GUARANTEE COMPETITIVITY. COMMISSIONER BORSCHETTE MADE A VERY GENERAL RESPONSE ON BEHALF OF THE COMMISSION CITING THE COMPLEXITIES

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OF THE COMPUTER INDUSTRY AND POINTING OUT THAT THE US WITH ALL ITS RESOURCES HAD TAKEN TEN YEARS JUST TO BEGIN ITS INVESTIGATION. THE DEBATE WAS BRIEF AND ONE DEPUTY SEEMED TO SUM THINGS UP BY SUGGESTING THAT IBM'S ONLY CRIME IS SUCCESS. HINTON

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